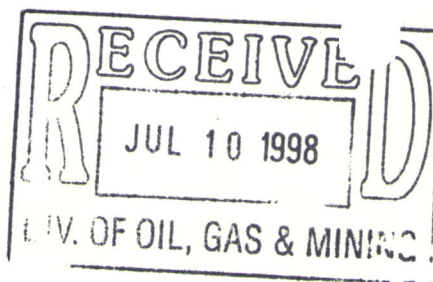


Kennecott Utah Copper Corporation
8315 West 3595 South
P.O. Box 6001
Magna, Utah 84044-6001
(801) 252-3000



m/035/009

Kennecott

July 6, 1998

Mr. D. Wayne Hedberg
Permit Supervisor, Minerals Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84147

Re: Replacement Reclamation Surety Bonds:
Kennecott Utah Copper Corporation: Bingham Canyon Modernization, M/035/011
Hidden Treasure Project, E/045/075
Kennecott Barneys Canyon Mining Company, M/035/009

Dear Mr. Hedberg:

Enclosed find surety bonds for the above referenced projects. They are "Attachment B" to reclamation contracts that I have updated to reflect changes in operator's officers, registered agents, and the particulars concerning the new bonds.

It is our request that these bonds be accepted as replacement for the bonds you currently hold. Your assistance and guidance in this matter is greatly appreciated.

I am available at 252-3526 should you have questions or comments.

Sincerely,

Jack R. Welch
Assistant Treasurer

Enclosures

cc: K.P. Done (w/o)
R. W Johnsen - Barneys
W. R. Williams